

# Agency Strategic Plan

## Department of Human Resource Management

### Agency Mission, Vision, and Values

#### Mission Statement:

Department of Human Resource Management (DHRM) addresses the diverse human resources needs of our customers through guidance, consultation, training and delivery of services.

#### Agency Vision:

DHRM provides leadership in human resources management that is responsive to the goals and needs of the Commonwealth and its workforce.

#### Agency Values:

- **Accountability**  
DHRM employees are responsible for ensuring our own performance and work team results contribute to success in meeting and surpassing the performance goals of our agency and the Commonwealth.
- **Communication**  
We endeavor to provide complete, accurate, timely and up-to-date information to our clients, co-workers and other constituents.
- **Customer Focus**  
We strive to understand and anticipate customer needs and constantly focus on delivering products and services of the highest quality in a timely manner.
- **Innovation**  
We encourage the acquisition of new skills, thoughtful risk taking, and openness and receptiveness to change.
- **Respect**  
We value individual contributions, treat each other with dignity, and assume positive intent in everyone.
- **Teamwork**  
We support each other, blend our diverse talents and backgrounds and willingly share information and resources.

### Agency Executive Progress Report

#### Current Service Performance

##### AGENCY EXECUTIVE PROGRESS REPORT

□ The Virginia Department of Human Resource Management (DHRM) functions to attract and retain a state public workforce proficient at providing services to the citizens of the Commonwealth. DHRM provides compensation and HR policy recommendations, health benefits, equal employment rights, training, workplace safety initiatives and an opportunity to help others through a workplace-giving program.

The agency has become one of the most respected HR offices in the country, earning an A- in Governing Magazine's Government Performance Project, one of three states to garner the top grade for its HR program.

□ The agency has experienced significant challenges in recent years - chief among them a 37 percent budget cut and a 41 percent decrease in staff. The agency has developed more efficient business processes and has made greater use of technology to automate those processes.

The agency has been in the forefront in using technology with the development of its Web-based data warehouse that puts tools in agencies' hands to transform agency data in the central legacy system into information available on their agency desktops. Each agency may pull standard reports or develop customized reports as needed. DHRM spearheaded a government-wide workforce planning activity that prompted state agencies to develop workforce plans that identified skill gaps and outlined succession plans. Workforce planning, a critical HR function in the face of an impending flood of retirements, will be enhanced by a new Learning Management System (LMS), a collaborative effort among agencies that provides the opportunity to transfer knowledge to a new generation of state workers. The LMS has garnered a national

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award for implementation, and avoided \$5 million in expenses for multiple training systems.□

The agency's State Employees Workers' Compensation Services area has also gained national attention for its public-private partnership that won a national Innovation Award from the Council of State Governments. The partnership has resulted in savings of over \$27 million and grows each year. The savings are measured by a model developed by the program actuary firm of William M. Mercer and are designed to measure cash flow savings as compared to actuarial projections.

The employee-run Commonwealth of Virginia Campaign (CVC), the authorized workplace giving campaign for state employees, provides a key indicator of state employee morale. CVC has won several awards for its communication videos, and was the first program nationally to automate the charity application and to move to a paperless process.

### SERVICE AREAS

DHRM is comprised of seven service areas. They are:

#### Agency Human Resource Services

This statutorily mandated service area is responsible for human resource management consulting; human resource program development and administration; compensation management consulting and technical assistance; policy analysis, development and interpretation; workforce planning; recruitment services; on-site HR services to agencies without HR staff; salary administration and planning; employee outreach services; human resource information system liaison; legislative studies; and related communication and training; This service area also administers the centralized Employee Suggestion Program, operates a Career Center, and offers assistance to agencies in performance management.

Associated outcomes include providing consultation, management, and evaluation of the employee compensation and classification plan; developing human resource policies; implementing comprehensive statewide workforce planning and recruitment programs; providing HR services through a service bureau. The overall customer evaluation rating for this service area for FY 05 was 5.5 on a scale of 1 – 6, which exceeded the 4.5 target.

#### Equal Employment Services

This statutorily mandated service area is responsible for the administration of a comprehensive equal employment opportunity program. This includes investigation/resolution of complaints of illegal discrimination filed by state employees (classified, faculty, wage and probationary) and applicants for state employment as well as the administration of a compliance program to determine whether agencies' human resource management practices result in disparate impact against protected classes.

In addition, this service area provides training and technical guidance to state agencies and local governments concerning equal employment opportunity related matters. Moreover, this service area is responsible for responding to appeals of hearing officers' rulings from grievant and agency management officials concerning whether rulings comport with state human resource management policies and procedures. The overall customer evaluation rating for this service area for training in FY 05 was 5.7 on a scale of 1 – 6, which exceeded the 4.5 target.

#### Health Benefits Services

This statutorily mandated service area has the responsibility of administering a comprehensive health benefits program for state employees, state retirees and their dependents. It is also responsible for providing health benefits to local governments and school jurisdiction employees, dependents and retirees.

Associated outcomes include providing health benefits and related programs that are competitive with private industry and other governmental entities. In FY 04, the state health plan enrolled over 89,000 employees and received over 3 million claims, paying out \$523.5 million in benefit, including 1.8 million prescriptions and \$94.5 million in prescription drug claims. In FY 04, customer satisfaction with the overall health plan and health care was 49.1%, which was below the 50% target.

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### Personnel Development Services

This statutorily mandated service area is responsible for administering a comprehensive and integrated statewide program of employee training and management development for the Commonwealth's workforce. It provides both Open Enrollment and customized in-house courses to all state agencies. It also provides organizational development consulting to state agencies, and maintains the state-approved vendor pricing agreement for soft-skills classes (both instructor-led and technologically-delivered). The service area manages three statewide programs: the Virginia Certified Manager's Program (VaCPM), the Managing Virginia Program (MVP), and the Human Resource Institute (HRI). This unit is also responsible for the site administration of the DHRM Knowledge Center – the statewide learning management system.

Associated outcomes include the training of a better-prepared workforce and managerial staff for the Commonwealth. PDS offered 171 sessions and trained 2,549 individuals. The overall customer evaluation rating for training for FY 05 was 5.4 on a scale of 1 – 6, which exceeded the 4.5 target.

### State Employee Services

This group provides a range of services to Commonwealth of Virginia employees, including developing employee communications, implementing employee reward and recognition programs, organizing employee special events and programs, managing the Executive Order-driven annual workplace giving Commonwealth of Virginia Campaign, coordinating employee-focused wellness programs, and developing and implementing employee discount programs.

Associated outcomes include enhancing employee morale through the participation in the Commonwealth of Virginia Campaign and development of effective employee communications, reward and recognition programs and wellness programs. The 2004 calendar year CVC campaign's total of \$3.6 million set a new record for contributions to over 1,300 local, state and national charities and exceeded the target established the prior year.

### State Employee Workers' Compensation Services

This statutorily mandated service area is responsible for establishing a workers' compensation insurance program for all state employees. Additional responsibilities of this unit include loss prevention programs to reduce the likelihood of workplace injuries, ensuring that injured employees receive timely, quality medical care, payment of lost wages, a disability management program to assure return-to-work with the agency whenever possible, or rehabilitation/job training and job placement.

Associated outcomes include providing cost containment, consultation, guidance and educational programs to increase safety in the workplace, increase return-to-work opportunities, and reduce the program cash flow claims payments. In FY 05, the program received approximately 10,000 new claims and issued 106,454 checks for more than \$47 million in benefits. In FY 04, the program saved \$17,706,539.28, based on actuarial projections of program expenditures that are built into the cost containment contract, besting the targeted savings of \$10 million. The program received a customer satisfaction rating of 7.8 on a scale of 1 – 10, which exceeded the goal of 7.4.

### Administrative and Support Services

This Service Area includes the Director's Office, fiscal, contracts, logistics, and Information Technology. It is responsible for the Council on Human Resources, a statutorily mandated advisory board, as well as other employee outreach initiatives.

This service area uses cutting-edge Web-based technology to provide interactive applications for a range of Human Resource functions, including recruitment, policy, benefits, compensation, communications and EEO services.

□ Associated outcomes include developing, monitoring and reporting on DHRM's strategic plan and operating budget of \$7 million within required timelines and providing required accounting information to DOA. Among the contracts monitored by this office is the \$750 million health benefits contracts package and the \$7 million annual State Employees Workers Compensation Services contract with a private vendor.

### MANAGEMENT SCORECARD

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□ HUMAN RESOURCE MANAGEMENT. Meets expectations. DHRM has an agency workforce plan in effect, and has identified succession planning as a key component. The average age in the agency is 51, with employees ranging in age from 27 to 85, and 145 of the workforce was eligible for full retirement. DHRM had a 10% turnover rate, including 2% who retired. It received 332 applicants for 13 recruitments, and all offers of employment were accepted. DHRM is “green” in all EEO assessment tool categories, and received 0 grievances and 0 complaints in FY 05. Performance ratings were given to 100% of the employees, and employee personal development plans were included as part of the employee performance review. DHRM spent \$5,500 on employee training in FY 05. DHRM reported 4 OSHA injuries and 1 Workers’ Compensation claim during the year.

□ PROCUREMENT MANAGEMENT. Meets expectations. DHRM met expectations for Procurement in the Management Scorecard. DHRM had eVA usage of 100%, 100% advertised in eVA, and 95% of the spend was with eVA registered vendors. The agency had 94% usage of the VaPP contracts. In addition to a \$1.2 million subcontract, 10.2% of the DHRM discretionary spending was with SWAM suppliers.

□ FINANCIAL MANAGEMENT. Meets expectations. DHRM complied with the requirements of the Appropriation Act and budget targets. During the most recent APA audit, two findings were noted: the need to improve written policies and procedures for internal control over financial reporting and the need to improve the reconciliation process for Workers’ Compensation claims reimbursement. A corrective work plan has been filed, and DHRM is making progress toward expectations on audit findings and internal controls. DHRM met the 95% compliance requirement for the prompt pay act for the year, and complied with the policies relating to the disbursement of state funds.

□ TECHNOLOGY MANAGEMENT. Meets expectations. DHRM’s IT strategic plan is tied to the agency’s business issues and met expectations. Online workforce planning tools were developed and made available to all agencies. Utilization of the employee self-service center for health benefits increased to 52%.

□ PERFORMANCE MANAGEMENT. Meets expectations. DHRM communicates its management performance to employees and stakeholders and submits reports timely. The agency updated its Continuity of Operations Plan by June 30, 2005 and made appropriate certifications to the Governor.

□ RESOURCE STEWARDSHIP. Meets expectations. DHRM supports telecommuting and carpooling through its policies and procedures. Several agency employees telecommuted or carpooled, which saved resources.

### DIRECTOR’S EXECUTIVE AGREEMENT

□ DHRM is guided by 10 components of the Director’s Executive Agreement with the Governor. They are:

- □ Recommend state employee compensation adjustments;
- □ Facilitate Statewide Workforce Planning;
- □ Support supervisory and management training;
- □ Implement a Learning Management System;
- □ Develop an employee Web portal;
- □ Conduct a comprehensive review of employee benefits;
- □ Maintain a competitive health benefits plan;
- □ Maintain a competitive workers’ compensation plan for state employees, and;
- □ Implement a cost containment and education program to increase workplace safety.
- □ Increase utilization of “EmployeeDirect”

Each of the areas significantly impacts the day-to-day work life of state employees. The progress being made to successfully meet those goals provides a reading as to the overall well being of the Commonwealth’s workforce.

### RECOMMEND STATE EMPLOYEE COMPENSATION ADJUSTMENTS

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DHRM's Office of Agency Human Resource Services (AHRS) conducts an annual assessment of Commonwealth salaries in comparison with private sector salaries.

□ The annual salary assessment findings and recommendations for salary adjustments for the classified workforce were submitted to the Secretary of Administration. The findings were also provided to the General Assembly by November 1st.

The assessment relied on estimates of market movement reported by national compensation consulting firms. Also, there was a comparison of average state salaries with private industry salaries for selected occupations.

□ In 2000, the Commonwealth took significant strides in approving a Compensation Reform package that changed the Commonwealth's pay structure to better reflect market conditions in the public and private sectors.

Rather than a one-size-fits-all approach, under Compensation Reform, state employee salaries are more closely aligned with the labor market, with other employees' salaries, and with the business needs of the agencies. While pay for performance is a critical aspect of Compensation Reform, the funding for the program has not yet been provided as originally designed.

### FACILITATE STATEWIDE WORKFORCE PLANNING

□ DHRM began to identify workforce planning as an important activity during a strategic planning session in 1998. Since that time, the workforce-planning program has risen in importance. Efforts to date have been aimed primarily at increasing managers' awareness of the need for workforce planning so that agencies can respond to their staffing challenges more effectively.

The focus going forward will be on implementing strategies to ensure a continuing high level of performance by state agencies. DHRM is enhancing Web-based reports to support this effort, including additional trend analysis and flexibility for agencies to generate ad hoc reports.

Workforce planning is an integral part of any organization's management of its human resources. Workforce planning is an effort to coordinate human resource management programs so that they support the strategic goals of the organization. Programs such as job evaluation, compensation management, performance management, training and development, and recruitment are all components of a successful workforce planning effort.

The focus of workforce planning is on current staffing issues as well as anticipated future staffing needs. The process involves assessing the current workforce in terms of whether or not its size is adequate, whether it is deployed effectively, and whether employees' competencies support high performance. The Commonwealth is identifying employees or occupations with skill gaps or other performance problems and developing action plans to address them.

□ According to a 2005 workforce planning report, as of June 30, 2004, 5,438 classified employees (7.6 percent of the total) were eligible for full retirement. If no employees retire during the next five years, 21 percent of the classified workforce would be eligible for retirement. After 10 years, 36 percent of the classified workforce will be eligible for retirement.

□ Additionally, the average age of classified employees on June 30, 2004 was 45.4 years. Only 5 percent were younger than 27. The number of classified employees 60 years old or older increased by 43.8 percent between May 1991 and June 2004.

□ There has been a significant change in the average service of state employees over the past 13 years. The number of employees with zero to five years of service and those with 10 to 15 years of service has decreased, while the number of employees with over 25 years of service has increased.

Workforce planning challenges are real and significant. State agencies and other employers have been successful in doing more with less in recent years, primarily through the use of technology. However, the combined effects of the aging workforce, increased workloads, and increasingly complex programs place limits on this phenomenon, particularly for occupations requiring advanced knowledge and experience. A number of events have combined to create the potential for a future staffing crisis.

In September 2003, DHRM issued the state's first workforce planning policy. It requires agencies to prepare workforce plans, with the goal of helping agencies to identify and respond to staffing challenges. State agencies have effectively identified their staffing issues and they have detailed a large number of strategies to address these issues.

The Commonwealth today has a coherent workforce planning process in place that provides a platform and strategy for addressing current and future needs. Training is a key component of workforce planning.

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DHRM's development of management and supervisory training and the online opportunities provided by the Learning Management System will greatly augment efforts to employ and retain a high performance workforce.

### SUPPORT SUPERVISORY AND MANAGEMENT TRAINING

Many managers and supervisors in the state workforce have been promoted to their positions because of their technical expertise, not because of their skills as managers. Many have not had appropriate training to perform their management functions.

□The lack of management and supervisory training has a negative impact on the workforce and manifests itself in different ways:

·□Managers avoid problems and do not have the skills to deal with difficult situations such as performance issues.

·□Management decisions are reversed in grievance hearings because managers do not know how to handle situations appropriately.

·□Employee morale suffers when managers do not perform their job in a fair and impartial manner, which leads to lower productivity and increased turnover.

·□The Commonwealth is exposed to potential legal liability.

To address the problem, DHRM, in collaboration with 78 state employees from 41 agencies, established Commonwealth management training criteria and began the development of the "Managing Virginia Program" (MVP) to provide a range of training opportunities for managers and supervisors. The training, which began July 1, 2005, is available through a variety of means, including online, teleconferencing, videoconferencing, classroom and Master Trainer. A tiered rollout has been developed that will end in December 2005.

### IMPLEMENT A LEARNING MANAGEMENT SYSTEM

Training is a critical component of workforce planning and staff development. Agencies must have the ability to track the knowledge, skills and abilities of employees to form succession plans to transfer knowledge to mitigate the impact of retirements. Because there was no centralized, statewide system, agencies developed their own tracking methods, both manual and automated, with information remaining with the agency rather than moving with the employee as the employee changed jobs. DHRM took the lead in forming a task force to examine Learning Management Systems and make a recommendation for purchase of a system. Requirements were developed, systems reviewed, an RFP posted and a vendor selected, all in a collaborative environment in which the agencies shared opinions and decisions.

In June 2004, a contract was signed with Meridian, of Chantilly, Virginia, and system development began.

DHRM is the business owner of the LMS, and manages the core system. Each agency was able to customize the LMS look and feel for the agency. During the following months data was imported from various agency systems into the LMS databases. The first phase of the Statewide LMS was completed on Feb. 28, 2005 and the system went "live" on March 1. Since the launch of the LMS, additional agencies and local governments have expressed interest in joining the LMS consortium.

The participating agencies in the first wave of implementation were the Department of Human Resource Management, Department of General Services, Department of Juvenile Justice, Virginia Department of Corrections, Virginia Department of Transportation, Virginia Information Technologies Agency, the Virginia Employment Commission, and the Virginia State Police,

As estimated \$5 million taxpayer dollars will be avoided through utilization of the statewide LMS, not only in eliminating the purchase of duplicate systems but also reducing by 75 percent the cost of tracking individual training records.

### DEVELOP AN EMPLOYEE WEB PORTAL

□This item was removed from the Executive Agreement because of the PPEA for the enterprise solution currently being reviewed.

### CONDUCT A COMPREHENSIVE REVIEW OF EMPLOYEE BENEFITS

□As part of the Governor's Executive Agreement with the Department of Human Resource Management, DHRM was tasked with the requirement to conduct a review of employee benefits. A steering committee

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consisting of the DHRM director, policy and health benefits staff, and staff from the Virginia Retirement System met and concluded that the scope of the benefits study should focus on the leave system for classified employees (those subject to provisions of the Virginia Personnel Act). While some leave benefits were overhauled in 1999 with the development and implementation of the Virginia Sickness and Disability Program (VSDP), there has been no significant review of the entire leave program in many years.

Before finalizing the focus of the proposed study, it was presented to the Human Resource Advisory Council whose members provided input and suggestions for the study. The Department of Planning and Budget, Department of Accounts, the Virginia Governmental Employee Association, and staff of the Senate Finance Committee and House Appropriations Committee also were briefed about the study and given the opportunity to provide comments.

An Employee Benefits Focus Group was formed to provide input and to serve as active participants in the study. Fifteen agencies of varying sizes and complexities representing each Cabinet area were invited to participate in the focus group. The focus group was comprised of recently hired and long-term employees representing human resources, management/supervisory, and non-management staff. This group was tasked with reviewing the current leave system, identifying issues, and developing recommendations.

Employees want more flexibility in how they can use their leave. Often they have a limited understanding of the type of leave benefits available to them. This fact reinforces the concern raised by the focus group regarding the need to simplify the leave benefit program. The issues that the Commonwealth of Virginia faces with employees and benefits are not unique. The demographics of the workforce are changing and the “one-size-fits-all” approach to leave benefits is no longer efficient or effective.

Employers are being forced to recognize the demands being placed on them by the different employee populations and the impact they have on the workplace. The workforce is made up of more single parents, grandparents who are raising grandchildren, more Generation X and Y employees, and aging employees. As indicated in the state’s workforce planning report, younger employees are not being retained in state employment. The younger employees entering the work force are seeking flexibility in work and in benefits. Conversely, long-term or older employees are looking for leave programs to help them balance the demands of work, home and the possibility of caring for aging parents.

The current leave program requires an inordinate amount of time to administer. The focus group shared their frustration with having to understand the many different types of leave as well as the time spent to administer and manage employees’ use of leave.

Following their review of the State’s current leave program and other leave plans, the focus group concluded that a PTO Program, or some version of such a program, best addresses the issues that have been identified. Based on the information presented in this study the Employee Benefits Focus Group recommends that the current leave benefits program be revised to:

- Ø□meet the demands of the emerging workforce;
- Ø□enhance recruitment and retention initiatives;
- Ø□provide flexibility;
- Ø□reduce unscheduled absences; and;
- Ø□address the administrative burden of the current system.

□

### MAINTAIN A COMPETITIVE HEALTH BENEFITS PLAN

□COVA Care, introduced to state employees in the 2003-04 fiscal year, heralded a new direction in the provision of health care for state employees. Under the new system, premiums were reduced and patient co-pays and other out-of-pocket expenses were increased. At the same time, the program emphasized preventive care and regular health checkups. As a result, utilization of preventive care services by state employees increased 18 percent during the first year of COVA Care.

□In FY04, a national quality survey of COVA Care found that the overall health plan ranked between the 25th and 50th percentile in employee satisfaction with the plan and between the 50th and 75th percentile in terms of providing health care. In terms of access to health care, customer service and claims processing, the survey results showed that respondents ranked those areas at above the 75th percentile.

□In all the overall health plan and health care were averaged and the result was 49.1 percent. FY05 survey results will be available by October 31, 2005.

□In FY 04, the Commonwealth collected \$250,000 from Anthem and \$122,479 from Magellan for standards not met in the areas of claim payment accuracy and customer service. Performance results for FY05 will be

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available by October 31, 2005.

### MAINTAIN A COMPETITIVE WORKERS' COMPENSATION PLAN FOR STATE EMPLOYEES

□The Department of Human Resource Management's State Employee Workers' Compensation Services earned national prominence in 2002 when it received a National Innovation Award from the Council of State Governments. The public-private partnership has saved millions of taxpayer dollars since its inception in 1999 and has reduced lost-time claims by more than 30 percent through an aggressive return-to-work program. The service area uses experienced-based premiums to set individual agency rates.

□In the latest annual workers' compensation survey, conducted by Virginia Commonwealth University, the SEWCS program had a final overall satisfaction score of 7.8, compared to the final contractual score of 7.4 on a 10-point scale. An updated survey will be available in the second quarter of the 2005-06 fiscal year. The total for liquidated damages in FY 05 was \$73,803.03.

### IMPLEMENT A COST CONTAINMENT AND EDUCATION PROGRAM TO INCREASE WORKPLACE SAFETY

□DHRM's State Employee Workers' Compensation Services has moved aggressively to reduce workplace injuries through training and safety surveys at state agencies. In the 2004-05 fiscal years, SEWCS conducted 61 safety inspections, exceeding its goal of 55 such inspections. Another 55 such surveys were conducted in the previous fiscal year.

□In addition to inspections, the office regularly conducts training, including seven regional claims training programs, loss control and OSHA certification training and the annual "Safety Day," which brings together safety officers from around the Commonwealth for intensive hands-on training activities.

□DHRM's State Employee Workers' Compensation Services continues to rack up impressive savings through its aggressive safety and return-to-work programs and loss-control efforts. In the 2004 fiscal year the program saved \$17,706,539.28, based on actuarial projections of program expenditures that are built into the cost containment contract, besting the targeted savings of \$10 million.

### INCREASE UTILIZATION OF "EMPLOYEE DIRECT"

□Introduced in 2002, EmployeeDirect is an online self-service portal that allows employees secure access to their individual health benefits plans and personnel profiles. Use of EmployeeDirect has significantly reduced the processing of paper health benefits forms, allow HR staff time for more value-added activities. Use of EmployeeDirect has avoided an estimated \$900,000 in costs in one year, including an estimated one-hour of employee and Benefits Administrator time saved, averaging \$20, per transaction.

□In FY04, of the nearly 15,000 employees and non-medicare retirees making election changes for health coverage and flexible reimbursement accounts, 51 percent or almost 7,600 used EmployeeDirect. This exceeded the established goal of a 10 percent increase or 48 percent utilization.

□In FY05, of the nearly 14,000 employees and non-medicare retirees making election changes for health coverage and flexible reimbursement accounts, utilization increased by 1 percent, with approximately 7,200 individuals using EmployeeDirect, or 52 percent of those making election changes for health and flexible benefits. The established goal was a 10 percent increase. New security measures and login procedures to protect a member's identity online may have contributed to a lower rate of increase in utilization.

### Productivity



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### Major Initiatives and Related Progress

- HR 1. Recommend state employee compensation adjustments.
  - ☐ Completed for FY 04.
  - ☐ • An employee compensation report was prepared and delivered to the Secretary of Administration and DPB as part of the budget process.
  - ☐ • Based on market movement, a recommendation of an average 3.62% increase was recommended for November 2004.
  
- HR 2. Facilitate statewide Workforce Planning.
  - ☐ • A memo has been sent to agency HR Directors requesting that they provide either a copy of revised workforce plans or information on any workforce issues they have identified. Also, information on assistance in addressing workforce planning issues was provided.
  - ☐ • Workforce Planning is included in the Governor's Management Scorecard, and a training session has been held with each secretariat and their agency heads.
  - ☐ • Workforce Planning is also included in the Governor's Management Objectives.
  - ☐ • The 2004-2005 State Workforce Plan has been completed, delivered to the Governor's Office, and posted on the Web.
  - ☐ • A workforce planning policy and workforce-planning guide were implemented and posted on the Web.
  - ☐ This new information was communicated to HR Directors and their staff at the DHRM Legislative Update meeting held May 21, 2004.
  - ☐ • New workforce planning tools have been introduced, and training has been conducted for agency human resource directors and other members of their staff.
  - ☐ • A survey has been sent to agencies to assist them in the preparation of their agency workforce plans. 64 workforce plans were submitted by agencies.
  - ☐ • Overview of the State Workforce Plan was presented at the 2004 HR
  - ☐ • DHRM identified the 5 most at risk positions and develop a collaborative, enterprise-wide action plan.
  - ☐ Meetings were requested by Secretariat during June 2004 to address workforce plans and issues. Six meetings were held. Meetings have not been held with the Finance, Technology or Transportation Secretariats.
  - ☐ • Memo has been drafted to agencies for updating workforce plans in conjunction with the upcoming budget and strategic planning cycle.
  
- HR 3. Encourage and support management and supervisory training for all employees in management and supervisory positions.
  - ☐ • Information on MVP was presented to the Agency Head Work Group on June 17, 2005. Feedback was encouraged.
  - ☐ • 60 participants, representing 39 agencies, are participating in the Statewide Training and Advisory Council project.
  - ☐ • A name for the program has been chosen, "MANAGING VIRGINIA PROGRAM" – or MVP (aka Most Valuable Player).
  - ☐ • A matrix of existing programs within agencies has been compiled, and curricula from FFS and VSI will be included. Also, benchmarked other states' program curricula.
  - ☐ • Research has been conducted from managers, supervisors, and the private sector on management competencies.
  - ☐ • Manager and Supervisor Focus Groups were held 2/2/05 and 2/23/05.
  - ☐ • Training will be developed and included as an online training offering on the new LMS at no cost to the agencies. Facilitator Guides and Participant Guides are being developed.
  - ☐ • Multiple delivery channels will be available, including Online, Teleconference, Videoconference, Classroom, and Master Trainer.
  - ☐ • A tiered rollout is planned for the various classes, being in July 2005 and ending in December 2005.
  - ☐ • DPB is assisting us on the draft Executive Order.
  - ☐ • An annual report on training was provided to the Governor as part of the Workforce Plan.

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- HR 4. Implement a statewide Learning Management System contract.
  - ☐ • VDOT went live with the Learning Management System on May 26, 2005. VDOT's portal is available at:  
☐ <https://virtualcampus.vdot.virginia.gov>
  - ☐ • DMV agreed to participate in the statewide LMS and a portal is being setup at:  
☐ <https://covkc.virginia.gov/dmv>
  - ☐ • Met with DMHMRSAS to present and discuss advantages of participating in the Statewide LMS. Many sub-agencies of DMHMRSAS showed great interest in start using the system.
  - ☐ • Met with DMV to discuss functionalities of the statewide LMS; DMV is showing interest in being part of the system;
  - ☐ • The first phase of the Statewide LMS implementation was completed on February 28, 2005. The LMS went live on March 1, 2005; first portals available are the CORE and VITA; the Core portal is available to anyone including employees not in Tier1 agencies; the web addresses are as follow:  
☐ Core - <https://covkc.virginia.gov>  
☐ VITA - <https://covkc.virginia.gov/vita>
  - ☐ Other agencies in Tier 1 are planning to start their portals as soon as possible.
  - ☐ • The second phase of implementation started on March 1, 2005, with the conversion of agencies' legacy training data from their old systems to the actual Statewide LMS.
  - ☐ • LMS Administrators from Tier1 Agencies received training on Feb. 8 & 9 in different areas of the system that have been customized to accommodate various agencies' needs; training was provided by Meridian as part of the services package included in the initial purchase of the software.
  - ☐ • The LMS staging areas are now available for agencies to use; the branding is taking place by Tier1 agencies; courses and other content are being uploaded to verify functionalities; the staging areas are as follow:  
☐ DHRM - <http://dhrmkcstage.meridianksi.com>  
☐ VDOT - <http://vdotkcstage.meridianksi.com>  
☐ VSP - <http://vspkcstage.meridianksi.com>  
☐ DOC - <http://dockcstage.meridianksi.com>  
☐ VITA - <http://vitakcstage.meridianksi.com>  
☐ VEC - in progress  
☐ DGS/DPS - in progress  
☐ DJJ - <http://djjkstage.meridianksi.com>
  - ☐
  - Meridian started testing the LMS databases that include data imported from PMIS; also specific customizations and branding are being developed and tested to provide a personalized LMS look and feel for each Tier 1 participant agency.
  - ☐ • Implementation meetings are held each week.
  - ☐ • Completed contract. DHRM coordinated and partnered with a number of agencies, including VDOT, VEC, DSP, DEQ, TAX, VITA, and DOC, for the implementation of a statewide Learning Management System contract. The contract was signed with Meridian on June 16, 2004.
  - ☐ • Requirements were developed, systems were reviewed, RFPs evaluated and a vendor was selected. Meridian, a privately held company located in Chantilly, Virginia, was the selected vendor.
  - ☐ • Meridian made a presentation on LMS at the DSP Training Academy to more than 50 employees from 20 agencies. Following the presentation, additional agencies have expressed an interest in being a Tier I agency and implementing LMS in the first wave.
- HR 5. Develop a plan for an employee web portal.
  - ☐ • A list of employee information currently available on the Web has been developed. It includes information from DHRM, DOA, and VRS.
  - ☐ • A draft Employee Total Compensation Statement has been drafted to begin discussions with employee groups.
  - ☐ • Submitted a budget amendment in support of this recommendation for next year. Since the budget amendment was not approved and there is no funding, this initiative needs to be reevaluated and consideration given to the removal of this objective in 2005. According to the Chief of Staff, this objective has

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☐ been removed from the Executive Agreement because of the PPEA for the enterprise review currently underway.

• HR 6. Conduct a comprehensive review of employee benefits.

☐ • Draft report is being finalized to include an Executive Summary.

☐ • Work group (DHRM, DPB, VRS staff members) for the employee benefits study had a meeting to define scope and identify issues.

☐ • Work group met on November 3, 2004. Various issues were identified and assignments made. The primary focus of the group remains the leave system and, in particular, the feasibility of a PTO or modified PTO system. One of the next steps is for group members to solicit feedback from employees on the current leave system.

☐ • Work group met January 13, 2005. Identified additional data needed on current leave usage; reviewed results of survey given to selected employees; next meeting scheduled for January 27, 2005.

☐ • Draft report is being finalized.

☐ • Workgroup met on February 10, 2005 and reviewed various alternatives to address issues associated with the current leave program.

☐ • Received feedback from employees and managers on employee benefit issues, reviewed best practices, and determined ways to simplify and improve employee benefits.

☐ • Benefits information has been gathered from local governments, other states, and the private sector.

☐ Private sector input and recommendations was included.

☐ • Data on leave usage was compiled.

☐ • Work group members had 10 employees in their agencies complete a short survey to solicit employee input

☐ in identifying issues related to the leave program.

☐ • "Total Compensation Picture" document that provides summary of all salary and benefits available to employees has been developed.

☐ • Work group met on March 31 to review draft of report and to consider recommendations reflecting the group consensus.

☐ • The draft report on the workgroup's recommendations is being finalized.

☐

HR 7 Maintain competitive state employee health benefits plan.

☐ • Employee Satisfaction Survey.

☐ FY05. Information will be available in Fall 2005.

☐ FY04. The 2004 HEDIS Survey on Employee Satisfaction with the COVA Care Plan has been completed.

The

☐ goal is above mean performance when compared to the HEDIS benchmarks. Results:

☐ Overall Health Plan 25th to 50th percentile

☐ Overall Health Care 50th to 75th percentile

☐ Access to Needed Care Above 90th percentile

☐ Customer Service Above 90th percentile

Claims Processing 75th to 90th percentile

☐ The ratings of the overall health plan and overall health care were averaged, and the resulting 49.1% was entered into Virginia Results.

☐ • Contract measures.

☐ FY05. Information will be available in Fall 2005.

☐ FY04. Contract measures have been set, and the standards are audited annually by AON as of June 30, 2004.

☐ Penalties were assessed against Anthem (\$250,000) and Magellan (\$122,479) for standards not met in the areas of claim payment accuracy and customer service.

HR 8. Maintain competitive workers' compensation plan for state employees.

☐ • Annual Workers' Compensation Survey

☐ FY05. Information available in the fall.

☐ FY04. The Virginia Commonwealth University Annual Workers' Compensation Survey is completed. The

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- ☐ final overall satisfaction score is 7.8, which compares to the prior contractual final score of 7.4.
- ☐ • Liquidated Damages
- ☐ FY05. Submitted overpayment portion of the Monthly Liquidated Damages for May 05. FY05 YTD total \$89,286.53
- ☐ FY04. Liquidated damages FY04 total \$73,803.03.
- HR 9. Implement a cost containment and education program to increase workplace safety.
- ☐ • Safety Inspections.
- ☐ FY06. None completed this week
- ☐ FY05. Completed a total of 61 safety inspections to date. OWC has exceeded the strategic goal of 55 safety inspections during the current fiscal year by 5 inspections. The following snapshot surveys were sent out last
- ☐ week:
- ☐ Wise County Health Department Investigation
- ☐ FY04. 55 safety inspections for high-risk facilities have been conducted YTD, with a goal of 55 inspections.
- ☐ • Regional claims training.
- ☐ FY05. Seven regional claims training programs have been held this year with the most recent WC University held in Abingdon. Last fall, we conducted 5 programs in Abington, Richmond, Lexington, Hampton and Fairfax. We held a pre-conference session to the HR Conference in December so that all HR professionals attended a session by year-end. These programs reinforce the need to follow policies and requirements established by the Workers' Compensation Commission, the DHRM/OWC's Program policies, and assure maximum savings on claims by increased use of the program's PPO and return to work programs.
- ☐ FY04. 6 regional claims training programs to educate agencies, which exceeded the goal of 5 by June 30, 2004.
- ☐ • Loss Control and OSHA certification training.
- ☐ FY06. Conducted one loss control training program.
- ☐ FY05. Conducted 44 loss control and OSHA certification training programs across the state to date.
- ☐ Additionally, 15 regional safety meetings have been conducted this fiscal year. OWC has exceeded the 36 minimum requirement for loss control and OSHA certification training programs during the current fiscal year by six.
- ☐ FY04. Conducted 55 loss control and OSHA certification training programs across the state, which exceeded the goal of 36 by June 30, 2004.
- ☐ • Savings.
- ☐ FY05. Savings will be determined in Fall 2005.
- ☐ FY04. The program saved \$17,706,539.28 based upon actuarial projections of program expenditures that is built into the Cost Containment Contract. The contract target was \$10 million saved. The savings are a result of loss control efforts, cost containment program initiatives, and early return to work initiatives by the agencies to reduce indemnity costs.

### **Virginia Ranking and Trends**

- Virginia received an A- from Governing Magazine on the People section of Governing Performance Project, which contributed to the straight As Virginia received on managing the state. Virginia was considered the best managed state in the nation. Virginia was one of only three states to receive an A.

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### **Customer Trends and Coverage**

- ☐ • Due to the interest expressed in the Learning Management System, we anticipate an increase in service to  
☐ Local Governments.
- ☐
- ☐ • Due to a change in eligibility requirements for the workforce giving campaign, we anticipate an increase in  
☐ the number of charities served.
- ☐
- ☐ • Due to the Healthy Virginians initiative, we anticipate greater interface with and involvement from the  
☐ private sector.
- ☐
- ☐ • As the workforce ages, we anticipate increased utilization of health and workers compensation programs  
☐ by state employees.
- ☐
- ☐ • As the baby boomers retire, we anticipate an increase in consulting requests from agencies.
- ☐
- ☐ • With the increase demand in training, we anticipate an increase demand in multiple delivery channels.
- ☐
- ☐ • Due to the rapidly changing legal and regulatory environment in health care, we anticipate increased  
☐ demand for education and communication from local government.
- ☐
- ☐ • To recruit and employees, we anticipate an increase demand for employee development.
- ☐
- ☐ • Because of the greater generational diversity in the workforce, we anticipate increased issues in employee  
☐ relations.
- ☐
- ☐ • As the Managing Virginia Program (MVP) is introduced, we anticipate an increase in training requests

### **Future Direction, Expectations, and Priorities**

#### FUTURE DIRECTION

- ☐
- ☐ • Continue the flexibility in human resource management
- ☐ • Focus on long-term planning for human resource management
- ☐ • Establish an effective workforce planning program
- ☐ • Improve health and safety of employees in the workplace
- ☐ • Increase statewide communications to employees
- ☐ • Enhance career planning and employee development
- ☐ • Strengthen central data collection and information

### **Impediments**

#### POTENTIAL IMPEDIMENTS

- ☐
- ☐ • Inadequate funding and staffing levels
- ☐ • Doing more with less
- ☐ • Rising health care costs
- ☐ • Inadequate reserves for Health Benefit and Workers' Compensation Programs
- ☐ • Aging workforce
- ☐ • Becoming an employer of choice
- ☐ • Antiquated human resources information systems
- ☐ • Inflexibility of laws, regulations, policies and procedures
- ☐ • Risk aversion

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### Agency Background Information

#### Statutory Authority

§ 2.2-1200

AUTHORITY □ TOPIC □ LANGUAGE

§ 2.2-1202 □ Annual Salary Survey □ Review annually to determine where discrepancies in compensation exist between the public and private sector and report to the Governor and General Assembly by December 15. □ □ Lack of information available to decision-makers on the salaries of state employees.

§ 2.2-1201(7) □ Application Form □ Design and utilize an application form, which also includes information on prior volunteer work performed by applicant. □ □ Inability to recruit qualified applicants for state jobs.

§ 2.2-2817.1 □ Alternate work schedules □ Requires each agency to develop policy on alternate work schedules and telecommuting, identifying employees eligible to participate, and broad categories of employees ineligible to participate with justification, setting annual percentage targets of eligible employees of at least 25% by 7/1/09. Requires each agency to report annually to SOA/DHRM on status and efficiency of telecommuting and participation in alternate work schedules, including specific budget requests for information technology, software, or other equipment needed to increase opportunities for telecommuting and participation in alternate work locations. □ □ Non-compliance □ May have impact on transportation

§ 2.2-1201(1) □ Classification □ Make recommendations to Governor regarding establishment and maintenance of classification plan for service of the Commonwealth, and recommend amendments as necessary. □ □ Pay inequities. □ Violations of equal pay for equal work. □ Inability to attract and retain qualified employees. □ Morale.

Executive Order 32 (02) □ Commonwealth of Virginia Campaign □ Authorizes the Commonwealth of Virginia Campaign to provide a responsive and convenient system to facilitate charitable giving for state employees. □ □ Lack of convenience for employees in charitable giving. □ Reduced contributions to the community.

§ 2.2-1201(2) □ Compensation □ Make recommendations to Governor regarding the establishment and administration of compensation plan for all employees, and recommend amendments as necessary. □ □ Pay inequities. □ Violations of equal pay for equal work. □ Inability to attract and retain qualified employees. □ Morale.

Executive Order 6 (02) □ Conference Recruitment □ Directs state agencies to actively recruit national and regional conferences and conventions. Report due annually by May 1 on status of negotiations, contacts relative to such recruitment. □ □ Non-compliance.

§ 2.2-3128 et seq □ Conflict of Interest Act (COIA) □ Furnish COIA to any employee required to file disclosure statement within two weeks of employment, and requires orientation and training program. □ □ Non-compliance □ Violations of conflict of interest laws □ Bad press

§ 2.2-1201.1 □ Criminal Background Checks □ Develop a statewide policy on criminal background checks for sensitive positions. □ □ Criminals hired for sensitive positions. □ State liability for potential danger to the public, clients, and infrastructure.

§ 2.2-1201(11) □ Disciplinary Actions □ Establish and administer regulations relating to disciplinary actions; no suspension without pay for more than 10 days of any state employee under investigation without a hearing by level of supervision above the employee's immediate supervisor or agency head. □ □ Inability to maintain a fair and objective disciplinary system.

§ 2.2-4117 □ Dispute Resolution □ Requires adoption of a written policy to encourage use of dispute resolution proceedings. □ □ Non-compliance.

§ 2.2-1201(4) □ Employee-Management Relations □ Establish and direct employee-management relations program designed to improve communications between employees and agencies □ □ Non-compliance with Code. □ Ineffective employee-management relations

§ 2.2-1201(12) □ Employee Suggestion Program □ Adopt and implement centralized reward and recognition program for employees whose proposed cost savings or process improvements are implemented, including requirements for notification of receipt within 30 days and determination of the feasibility of the proposal within 60 days of receipt. □ □ Lost opportunity □ Non-compliance

§ 2.2-2902.1. □ Employees – right to contact elected officials □ Address in HR policy the right of state employees to contact elected officials to express concerns. □ □ Non-compliance □ Ineffective employee relations

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§ 2.2-1201(14-15) □ Employment Level Annual Report □ Submit annual report to members of the General Assembly by September 30th showing employment levels, changes, and terminations. □ □ Lack of information available to decision-makers on the state workforce. □ □ Non-compliance.

Executive Order 54 (03) □ Energy Conservation by State Agencies □ Requires agencies to implement an energy plan to reduce energy consumption, monitor and report progress to DMME, and use the Energy Efficiency and Operational Performance Contracting Act in procurement to accomplish energy conservation projects. □ □ Non-compliance □ Inefficient energy usage

§ 2.2-1201(10) □ Equal Employment Opportunity □ Establish and administer program to assure equal employment opportunity to applicants and to state employees in all incidents of employment. □ □ Increased vulnerability to complaints of discrimination. □ Wholly ineffective human resource management system.

Executive Order 1 (02) □ Equal Employment Opportunity □ Prohibits state agencies from engaging in unlawful employment discrimination and authorizes OEES to investigate and resolve such complaints. □ □ Increased financial liability exposure resulting from acts of illegal discrimination.

§ 2.2-1201(9) □ Evaluation of Personnel Activities □ Establish and administer a program of evaluation of effectiveness of performance of the personnel activities of the agencies. □ □ No ability to determine proactively if agencies are adhering to DHRM's policies and procedures. □ □ No ability to determine effectiveness and efficiency of agencies' human resource management procedures.

29 U.S.C. Chapters 8 & 9 Executive Order 27 (02) □ Fair Labor Standards Act (FLSA) □ Establishes minimum wage, overtime, record keeping, child labor, and equal pay standards. □ □ Criminal fines up to \$10,000, Civil fines plus liquidated damages.

29 U.S.C. 2611(et seq.) □ Family & Medical Leave Act (FMLA) □ Comply with requirements of federal law to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for certain specified family and medical reasons, to maintain employees' health insurance during the period of leave under FMLA, and to return employees to their same or equivalent position upon their return from FMLA leave. □ □ Lawsuits in state or federal courts for violation of the law to recover damages and relief including any award of attorneys fees and other costs of the action to be paid by defendant (the State). (Damages include wages, salaries, employment benefits, or other compensation denied or lost due to the violation.)

Executive Order 53 (03) □ Financial Disclosure Statements □ Requires agency head to provide updated information on positions designated to complete statement of economic interests, to have those statements submitted in a timely fashion, and to ensure that staff understand the importance and necessity of maintaining high ethical standards and conduct. □ □ Non-compliance

26 U.S.C. § 125 □ Health Insurance - Cafeteria Plan Rules □ Requires state to comply with IRS 125 rules to avoid constructive receipt when employees are allowed to pay health care premiums on pre-tax basis. □ □ Non-compliance could result in taxation of employees' pre-tax premiums to the health benefits plan, the medical spending account, and the dependent day care assistance plan.

42 U.S.C. § 300bb-2 □ Health Insurance - Consolidated Omnibus Budget Reconciliation Act □ Requires state to provide notice to employees and dependents covered under the state's health care plan of their rights to continue coverage upon certain qualifying events, such as termination of employment. □ □ Non-compliance could result in daily fines for each infraction.

29 U.S.C. § 1181, 29 U.S.C. § 1182, 42 U.S.C § 1320d-1329d-8, 26 U.S.C. § 7702B □ Health Insurance - Health Insurance Portability and Accountability Act □ Requires state to issue certification of prior coverage upon termination of coverage; prohibits discrimination based on an individual's health status; requires privacy protection of plan members' individual identifiable health information; requires submission of electronic data in a standard format to business partners. Requires that electronic systems, which store or transmit individual identifiable health information be evaluated and made secure from unauthorized sources. □ □ Non-compliance could result in fines for each infraction.

§ 2.2-1818.G. □ Health Insurance - Health Savings Accounts □ Directs DHRM to include a High Deductible Health Plan (HDHP) that would qualify for a Health Savings Account pursuant to § 223 of the Internal Revenue Code of 1986, as amended, as one of its health benefit plan offerings in each planning district by July 1, 2006.

□ □ Non-compliance

§ 2.2-1204 □ Health Insurance - Local Government Employees □ Directs DHRM to establish a health insurance plan for employees of local governments, local officers, teachers, and retirees. □ □ Potential negative impact on morale. □ Inability to attract and retain employees. □ Potential litigation and associated liabilities.

42 U.S.C. § 1395y □ Health Insurance - Medicare Secondary Payor □ Requires state coverage to be primary to

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Medicare for active employees and their dependents; forbids state from offering any incentive to enroll in Medicare in lieu of state's coverage. □ □ Non-compliance could result in repayment of overpayment plus interest to Medicare and subject the plan to an excise tax.

29 U.S.C. § 1185a □ Health Insurance - Mental Health Parity Act of 1996 □ Provides for parity in application of limits to certain mental health benefits. □ □ Non-compliance could result in fines for each infraction.

29 U.S.C. § 1185 □ Health Insurance - Newborns' and Mothers' Protection Act of 1996 □ Provides protections for mothers and their newborns with regard to length of hospital stays following birth of a child. □ □ Non-compliance could make the plan subject to an excise tax.

§ 2.2-2818 □ Health Insurance - State Employees □ Directs DHRM to administer a state health insurance plan for state employees and retired state employees. □ □ Potential negative impact on morale. □ Inability to attract and retain employees. □ Potential litigation and associated liabilities.

§ 2.2-2820 § 2.2-2818 □ Health Insurance - Part-Time State Employees □ Directs DHRM to develop and administer a state health insurance plan for part-time state employees. Directs DHRM to offer part-time employees the same health care plan offered to full-time employees. Part-time employees pay entire premium. □ □ Potential negative impact on morale. □ Inability to attract and retain part-time employees. □ Potential litigation and associated liabilities.

29 U.S.C. § 1169 □ Health Insurance - Qualified Medical Child Support Orders □ Requires state to honor DSS orders to cover a child under an employee's plan; allows for alternative recipient to receive benefit payments rather than employee. □ □ Non-compliance.

§ 2.2-2819 □ Health Insurance - Surviving Spouse and Dependents of State Employees □ Permits purchase of continued health insurance coverage for surviving spouse and dependents of active or retired state employee in certain circumstances. □ □ Potential litigation and associated liabilities.

29 U.S.C. § 1185b □ Health Insurance - Women's Health and Cancer Rights Act of 1998 □ Requires plans that provide mastectomy coverage to also provide for reconstructive surgery; also requires annual notice of this benefit. □ □ Non-compliance could make the plan subject to an excise tax.

2005 Appropriation Act Item 85 □ Human Resource Service Bureau □ Requires DHRM to operate a human resource service center to support the human resource needs of agencies identified by the Secretary of Administration. □ □ Non-compliance □ Inefficient human resource management.

§ 2.2-1204; § 51.1-513.1 § 2.2-1208 □ Long Term Care Insurance □ Authorizes DHRM to establish a long-term care insurance program. Requires that DMRM develop, implement and administer a LTC insurance program for any person with five or more years of VRS service with any employer. Local government employees, officers, teachers eligible for other LTC programs are ineligible. □ □ Potential negative impact on morale. □ Inability to attract and retain employees. □ Potential litigation and associated liabilities. □ Non-compliance □ Provides state benefit to prior employees who may work elsewhere

§ 2.2-2821 □ Loss Prevention Program □ Establishes the requirement to develop loss prevention programs. □ □ Violations of OSHA standards. □ Criticism for failure to follow 'best HR practices.' □ Loss of financial incentive for agencies to develop return-to-work programs. □ Loss of premium reduction opportunity. Executive Order 44 (03) □ Military leave - Supporting State Employees Called to Active Duty □ Requires DHRM to issue a policy establishing supplemental pay for classified state employees called to active duty military service in the Armed Forces of the US. □ □ Non-compliance. □ Financial hardship for employees on military leave.

§ 2.2-2818.L □ Ombudsman □ Requires DHRM to appoint an ombudsman to protect state employees' interest under state health plan. □ □ Potential negative impact on morale. □ Inability to attract and retain employees. □ Potential litigation and associated liabilities.

§ 2.2-1201(5) □ Performance Evaluation □ Establish and administer a system of performance evaluation for all state employees, based on quality of service rendered, related where practicable to specific standards of performance. □ □ Inability to link pay with performance. □ Potential for employees to be treated unfairly.

§ 2.2-1201(3) □ Personnel Information System □ Design and maintain personnel information system. □ □ Inability of the Office of the Governor to manage the workforce of the Commonwealth. □ Non-compliance.

§ 2.2-1201(13) □ Personnel Policies □ Develop, disseminate and interpret state personnel policies and procedures to all agencies covered by the Virginia Personnel Act. Authority to establish and interpret personnel policies and procedures, and to assure full compliance with such policies. Has no authority over state grievance procedures. □ □ Non-compliance. □ Potential for employees to be treated unfairly.

§ 2.2-4300 to § 2.2-4343 □ Procurement □ Requires purchasing in accordance with mandates of the Virginia Public



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Procurement Act. □ · □ Inability to execute procurements in a prudent and timely manner. · □ Reduced purchasing power of the Commonwealth.

Executive Order 29 (02) □ Procurement – Equal Opportunity □ Requires each agency to prepare a written program to facilitate participation of small businesses and businesses owned by women and minorities in procurement transactions with the agency. □ · □ Non-compliance

§ 42.1-86.1 to § 42.1- 88 □ Records Management □ Requires agency to maintain a retention and disposition schedule of public documents approved by the Librarian of Virginia. □ · □ Direct liability and possible criminal charges against the agency head. · □ Class 3 misdemeanor.

Executive Order 9 (02) □ Recruitment; Hiring Guidelines □ Requires all Cabinet Secretaries and Agency Heads to adhere to hiring policies and procedures to manage employment without adversely affecting essential services. □ · □ Non-compliance

Executive Order 73 (01) □ Recruitment; Position Advertising □ Expands use of the Internet for the Commonwealth Recruitment and Position Advertising. □ · □ Lack of centralized information on jobs available in the Commonwealth.

§ 2.2-1201(6) □ Recruitment; Re-employment Opportunities Pool □ Establish and administer a system of recruitment designed to attract high quality employees for service to the Commonwealth. □ · □ Inability to recruit qualified applicants for state jobs. · □ Impediment to employee career planning and placement. · □ Impediment to employee promotional opportunities. · □ Confusion/frustration for applicants. · □ No centralized repository for vacant positions.

Executive Order 52 (99) □ Safe and Healthy Workplace □ Establishes an initiative to assure a safe and healthy workplace for state employees, to reduce the incidence of work-related accidents and illnesses, to assure that injured employees receive any benefits for which they are eligible in a timely manner, and to assist employees in returning to work. □ · □ Violations of OSHA standards. · □ Criticism for failure to follow 'best HR practices.' · □ Loss of financial incentive for agencies to develop return-to-work programs. · □ Loss of premium reduction opportunity.

Executive Order 69 (04) □ Secure Commonwealth Initiative □ Requires agency heads to certify to the Governor by June 1, 2004 that they have completed updates and/or development of plans that address continuity of their operations and services, and the security of their customers and employees, in the event of natural or man-made disasters or emergencies, including terrorist attacks. Requires that agencies exercise and test plan on or before September 1, 2005. □ · □ Non-compliance

2005 Appropriation Act Item 85.F. □ Study – Executive Compensation □ Requires DHRM to review the compensation of agency heads, cabinet secretaries and deputy cabinet secretaries, with report due October 1, 2005. □ · □ Non-compliance

HD 8 (05) □ Study – Community Service Workers Interim Report on the Status, Impact, and Utilization of Community Health Workers □ Requires DHRM, James Madison University and the Community Health Worker (CHW) Study Resolution Committee to review the Direct Services Career Group Description to ensure that CHWs are appropriately identified as a health care support occupation and defined in accordance with the Committee's findings. □ · □ Non-compliance

2005 Appropriation Act Item 427B.1. □ Study – Forensic Scientists □ Requires the Directors of Forensic Science and DHRM to prepare a report and plan by June 1, 2005 for the expenditure of \$1 million to address salary compression and starting salaries of Forensic Scientists. □ · □ Non-compliance

2005 Appropriation Act Item 427B.2. □ Study – Forensic Scientists □ Requires the Directors of Forensic Science and DHRM to prepare a report by October 1, 2005 on DFS efforts to recruit forensic scientists to fill the positions authorized during the 2005 GA Session, including the fill rate for the new positions and issues that limit the ability to recruit and retain forensic scientists. □ · □ Non-compliance

HJ103 (04) □ Study – Impact of aging population for state agency services □ Requires DHMR to consult with JLARC to study the impact of Virginia's aging population on the demand and cost of state agency services, policies and program management. □ · □ Non-compliance

2005 Appropriation Act Item 85.E □ Study – Social Services □ Requires DHRM to assist DSS in a review of its classified employees located in the Northern Virginia pay area to determine if salary adjustments are needed for recruitment and retention. □ · □ Non-compliance

§ 22.1-289.1 □ Teacher Salary Survey □ Review biannually to determine if teachers are paid at a competitive rate and report to Governor, General Assembly and Board of Education by June 1 of odd numbered years. □ · □ Lack of information available to decision-makers on the salaries of schoolteachers.

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2005 Appropriation ActItem 445.D.2.□Technical Assistance – Departments of Juvenile Justice and Correctional Education□Requires DHRM to provide assistance to DJJ and DCE in addressing issues related to the state work force affected by the closure of Barrett Juvenile Correctional Center and the expansion of Culpeper Juvenile Correctional Center. □ ·□Non-compliance

29 U.S.C. §§ 621-633(a)□The Age Discrimination in Employment Act of 1967□Prohibits discrimination in all privileges and conditions of employment against persons age 40 and over.□ ·□Up to \$300K in compensatory damages.

42 U.S.C. Chapter 126□The Americans with Disabilities Act of 1990□Prohibits discrimination in all privileges and conditions of employment against qualified persons with a disability.□ ·□Up to \$300K in compensatory damages.

29 U.S.C. § 206□The Equal Pay Act of 1963□Prohibits differentiation in pay for equal work based on gender.□ ·□Make whole relief.

8 U.S.C. 1324 a & b□The Immigration Reform and Control Act of 1986□Prohibits discrimination based on national origin and citizenship status in all privileges and conditions of employment.□ ·□Make whole relief plus penalties ranging from \$250 to \$10K for each unauthorized alien.

42 U.S.C. 2000(e)(k)□The Pregnancy Discrimination Act of 1978□Requires employers to treat women affected by pregnancy, childbirth, and related medical conditions, the same as other employees for all employment-related purposes.□ ·□Up to \$300K in compensatory damages.

42 U.S.C. 2000h 2□Title IX of the Education Amendments of 1972□Prohibits discrimination based on gender in all privileges and conditions of employment in education programs or activities that receive federal financial assistance.□ ·□Make whole relief.

42 U.S.C. 2000C-2000E-17□Title VII of the Civil Rights Act of 1964□Prohibits discrimination in all privileges and conditions of employment due to race, color, national origin, gender (including sexual harassment), and religion.□ ·□Disparate Treatment - Up to \$300K compensatory damages. □Disparate Impact - Make whole relief.

§ 2.2-1201(8)□Training and Management Development□Establish and administer a comprehensive and integrated program of employee training and management development.□ ·□Disparities among state agencies in the types of training opportunities and the number of opportunities available to employees. □Increased costs as agencies develop the same types of courses. □Information is not consistent statewide.

29 U.S.C. § 1607.18□Uniform Guidelines on Employee Selection Procedures□Requires employers to determine whether tangible employment practices result in disparate impact against minorities and women, and to take affirmative corrective action if found. □ ·□Make whole relief under Title VII.

§ 2.2-2903 □Veterans Preference□Requires that “additional consideration” shall be given to veterans who have a service-connected disability rating fixed by the United States Veterans Administration.□ ·□Non-compliance

Executive Order 40 (02)□Veteran Services□Identify opportunities for improving services to veterans and implement appropriate changes, with a report on progress due to the SOA by June 30, 2003. □ ·□Non-compliance. □Potential legislation introduced by veterans.

§ 2.2-2675 to§ 2.2-2678□Virginia Council on Human Resources□Advises the Governor, DHRM and EDR on personnel matters and designates DHRM to take the lead on staff assistance.□ ·□Non-compliance.

2004 Appropriation ActItem 463F.1.Item 463F.2.□VITA□Requires DHRM to conduct a timely review of all compensation actions for VITA employees to ensure proper application of classification and compensation policies/procedures and report to VITA within five days of completion, and a report to the VITA Investment Board, the Governor, the Chairmen of the GA money committees and JLARC of any material deviations from class and comp policies and corrective actions taken by November 1 of each year. □ ·□Non-compliance

§ 2.2-2821□Workers’ Compensation Insurance Plan□Establishes Workers’ Compensation Insurance Plan.□ ·□Loss of savings. □Possible violations of ADA.

§ 2.2-1201(16)□Workers' Compensation □Administers the workers compensation insurance plan for state employees.□ ·□Violation of Virginia Workers' Compensation Commission Procedure and Regulations for Filing First Reports 16 VAC 30-90-30.A.

2005 Appropriation ActItem 86□Workers’ Compensation Premiums□Recommend workers' compensation premiums for state agencies for the following biennium to the Governor and Chairmen of the HAC and SFC by September 1, 2005. □ ·□Non-compliance.

§ 2.2-3200 to§ 2.2-3206 □Workforce Transition Act□Provides transitional severance benefit to eligible state employees.□ ·□Non-compliance.

# Agency Strategic Plan

## Department of Human Resource Management

### Customer Base:

| Customer Description        | Served  | Potential |
|-----------------------------|---------|-----------|
|                             | 0       | 0         |
| DHRM Internal Service Areas | 7       | 7         |
| Federal Government Agencies | 8       | 10        |
| General Assembly            | 140     | 140       |
| General Public              | 25,000  | 3,563,770 |
| Governor, Cabinet, & staff  | 1       | 1         |
| Judicial branch             | 3       | 7         |
| Legislative branch agencies | 6       | 7         |
| Local Governments           | 375     | 960       |
| Other states                | 49      | 49        |
| Private Sector              | 10,000  | 270,000   |
| State Agencies              | 180     | 180       |
| State Employees             | 140,785 | 140,785   |
| State Retirees              | 26,000  | 26,000    |

### Anticipated Changes In Agency Customer Base:

- Due to the interest expressed in the Learning Management System, we anticipate an increase in service to  
☐ Local Governments.
- ☐
- Due to a change in eligibility requirements for the workforce giving campaign, we anticipate an increase in  
☐ the number of charities served.
- ☐
- Due to the Healthy Virginians initiative, we anticipate greater interface with and involvement from the  
☐ private sector.
- ☐
- As the workforce ages, we anticipate increased utilization of health and workers compensation programs  
☐ by state employees.
- ☐
- As the baby boomers retire, we anticipate an increase in consulting requests from agencies.
- ☐
- With the increase demand in training, we anticipate an increase demand in multiple delivery channels.
- ☐
- Due to the rapidly changing legal and regulatory environment in health care, we anticipate increased  
☐ demand for education and communication from local government.
- ☐
- To recruit and employees, we anticipate an increase demand for employee development.
- ☐
- Because of the greater generational diversity in the workforce, we anticipate increased issues in employee  
☐ relations.
- ☐
- As the Managing Virginia Program (MVP) is introduced, we anticipate an increase in training requests.

### Agency Partners:

**DHRM partners with several firms especially in the health benefits and worker's compensation programs.**

**See individual service areas** See individual service areas partners are firms that are third party administrators for different employee benefits.

# Agency Strategic Plan

## Department of Human Resource Management

### Agency Products and Services:

#### **Current Products and Services**

Products and services provided by the agency are shown under each individual service area.

#### **Factors Impacting Agency Products and Services**

Impacting factors are shown under the using service area.

#### **Anticipated Changes in Agency Products and Services**

See individual service areas.

### Agency Financial Resources Summary:

|                        | <u>Fiscal Year 2007</u> |                        | <u>Fiscal Year 2008</u> |                        |
|------------------------|-------------------------|------------------------|-------------------------|------------------------|
|                        | <b>General Fund</b>     | <b>Nongeneral Fund</b> | <b>General Fund</b>     | <b>Nongeneral Fund</b> |
| <b>Base Budget</b>     | \$4,660,716             | \$3,582,419            | \$4,660,716             | \$3,582,419            |
| <b>Changes To Base</b> | \$465,391               | \$617,868              | \$452,277               | \$552,904              |
| <b>AGENCY TOTAL</b>    | <b>\$5,126,107</b>      | <b>\$4,200,287</b>     | <b>\$5,112,993</b>      | <b>\$4,135,323</b>     |

### Agency Human Resources Summary:

#### **Human Resources Overview**

The agency workforce is primarily composed of subject area professional in the specific areas of responsibilities. The overall age and service of these professionals is greater than the averages for state workforce as a whole. Are

#### **Full-Time Equivalent (FTE) Position Summary**

Effective Date: 07/01/2005

Total Authorized Position level ..... 78

Vacant Positions ..... 3

Non-Classified (Filled)..... 2

Full-Time Classified (Filled) ..... 73

Part-Time Classified (Filled) ..... 0

Faculty (Filled) ..... 0

Wage ..... 4

Contract Employees ..... 0

Total Human Resource Level ..... 79

#### **Factors Impacting Human Resources**

#### **Anticipated Changes in Human Resources**

# Agency Strategic Plan

## Department of Human Resource Management

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### Agency Capital Investments Summary:

Current State / Issues

N/A

Factors Impacting Capital Investments

Capital Investment Alignment

## Agency Goals

### Goal #1:

*Provide statewide leadership in all areas of human resources management and address continuously changing management needs of state agencies throughout the Commonwealth.*

Goal Summary and Alignment:

### Goal #2:

*Provide timely, accurate, and consistent human resource information utilizing cost effective delivery channels.*

Goal Summary and Alignment:

### Goal #3:

*Develop and implement a statewide workforce planning program to forecast human resource trends and to assist agency management in addressing their human resource needs.*

Goal Summary and Alignment: